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QUESTION OF THE REALIZATION IN ALL COUNTRIES OF THE ECONOMIC, SOCIAL AND CULTURAL RIGHTS CONTAINED IN THE UNIVERSAL DECLARATION OF HUMAN RIGHTS AND THE INTERNATIONAL COVENANT ON ECONOMIC, SOCIAL AND CULTURAL RIGHTS, AND STUDY OF SPECIAL PROBLEMS WHICH THE DEVELOPING COUNTRIES FACE IN THEIR EFFORTS TO ACHIEVE THESE HUMAN RIGHTS

Written statement submitted by Human Rights Advocates, a non-governmental organization in special consultative status

The Secretary-General has received the following written statement, which is circulated in accordance with Economic and Social Council resolution 1296 (XLIV).

[17 March 1997]

Debt relief conditioned upon microcredit programmes

1. Human Rights Advocates urges the Commission to pass a resolution creating a working group to study linking debt relief with the creation of microcredit programmes. Under agenda item 5, the Commission has before it a report of the Secretary-General on debt relief (E/CN.4/1997/17). That report discusses a meeting between the High Commissioner for Human Rights and the President of the World Bank. They agreed that they share a common objective: the well-being of the individual, and that well-being includes economic and social rights, as well as civil and political rights.

2. The High Commissioner and President of the World Bank pledged to set up a framework for cooperation and have stated that practical steps should be taken. We recommend that one practical step is to condition debt relief upon the creation of microcredit programmes. Debt interest payments that are forgiven would be paid directly into microcredit programmes.

3. Microcredit programmes have proven to be very effective. The essence of microcredit is the provision of loans to poor people, primarily women. The result is that when poor people are given a hand-up, instead of a hand-out, they pay back their loan, with interest. All they need is an opportunity. Loan default rates have been under 4 per cent. Some of the great thinkers in this world have realized that microcredit is a key element to the recognition of economic and social rights. For instance, microcredit was strongly supported at the State of the World Forum sponsored by the Gorbachev Foundation. Also, more than 2,000 people from around the world attended the Microcredit Summit in Washington D.C., where large financial institutions such as Citybank, government leaders, world bank officials and Hillary Clinton all pledged to support microcredit programmes to make loans to the 100 million poorest families on earth.

4. But these pledges, like the pledge of the High Commissioner and the President of the World Bank need practical steps. There needs to be funding. Debt relief is an excellent source of funding. Payment directly into a microcredit programme ensures that funds truly reach the poor people that need them. Furthermore, successful microcredit programmes have shown that once provided with initial working capital the programmes can become self-sustaining through the interest revenues made on the loans. Thus, the debt relief spawns an ongoing commercial enterprise rather than another aid programme that is dependent upon future contributions.

5. The solution of linking debt relief with microcredit programmes transcends the outdated North/South division on debt relief. We hope that the Commission will support the creation of a working group to address this issue.